Economic Planning Initiative

CULTURE, SPORTS, & TOURISM

FACT SHEET

Boston Redevelopment Authority
Mark Maloney, *Director*

Summer 2001

I. Sector Description and Definition

The Culture, Sports, and Tourism (CST) sector of the Boston economy includes many of the activities that directly impact the quality of life in our city and that make Boston a unique place to live, work, and visit. This sector includes sports teams, museums, historical attractions, architectural firms, individual artists, recreation businesses, media and publishing companies, art supply shops, music and dance organizations, travel agents, hotels, etc. The economic ripples from these industries spread across many other economic sectors: security agencies, landscape companies, builders that specialize in historic preservation, facilities maintenance, ticket agencies, retail shops, restaurants and nightclubs, teamsters who "load in" sets for shows at the theaters and the Fleet Center, computer programmers to provide new technology required for the performing and visual arts. When defined in its most narrow manner, however, the culture and tourism sector alone includes 36,000 workers in Boston, or 6.6% of the City's entire workforce.

The Creative Industries

These are the firms and institutions that produce cultural and creative products. These industries are at the core of a larger creative economy. The majority of jobs are found in Professional/Design Services and Media & Communications. Arts and heritage organizations, while generally smaller and employing fewer workers, tend to have a larger impact on the cultural life of the city. Among the most important cultural producers in Boston are its many attractions and performing arts organizations such as the Boston Symphony Orchestra, the Museum of Fine Arts, the Wang Center, the Gardner Museum, the New England Aquarium, the Museum of Science, and the Children's Museum.

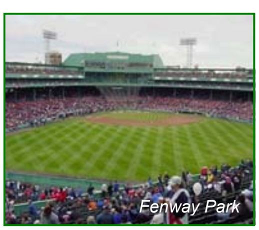
Sports & Recreation

Along with cultural activities, sports and recreation occupy a significant portion of personal leisure time. Only a small portion of this activity generates significant economic benefits; much of it is purely for fun and personal enrichment. This sector includes major league sports teams, city and state park and recreation systems, and a multitude of private athletic enterprises such as the Red Sox, the Boston and MDC park systems, the Boston Harbor Islands National Recreation Area, and the Boston Athletic Club. While the professional sports teams clearly generate the greatest direct economic impact, amateur and college sports also generate a significant amount of visitor spending.

The Visitor Industry

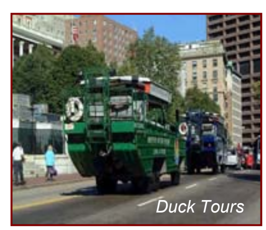
This industry has two major sub-markets: (1) business, meeting, and convention visitors; and (2) leisure tourists. Business and convention visitors, the group that spends the most, account for approximately 70% of all tourist spending, while leisure tourists account for roughly half of the estimated 12.5 million visitors who came to Boston last year. At the core of the visitor industry are Boston's hotels, which employ approximately 10,000 workers. Visitors also comprise a large segment of demand in the restaurant and cultural industries. Yet, despite Boston's superior cultural and historical resources, business travel has been the focus of most efforts over the past 10 years.


New England Aquarium


Fenway Park


Park Plaza Hotel


Boston Public Library


Duck Tours

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II. Job Opportunities and $alaries

The jobs and salaries provided in the CST sector vary enormously within and between the 6 main industry groupings. Industries with large numbers of workers include several in design and communications with high pay levels – architecture, advertising, television, and newspapers – as well as several industries with low and moderate pay levels – hotels and fitness/recreational sports centers. The sector includes several hundred highly-paid celebrity athletes and musicians earning well over $100,000 per year, as well as hundreds of retail sales clerks working in souvenir stores, who earn on average less than $15,000 per year.

Arts & Culture	# of Employees	Average Pay
Tourism		
Travel arrangements/reservation	2,401	$ 36,504
Accommodations (hotels & motels)	9,621	25,085
Scenic/sightseeing	270	21,596
Full Service Restaurants	15,532	16,206
Bars	3,019	10,850
Professional/Design		
Interior Design	200	$ 58,680
Architects	3,134	54,689
Graphic Design	537	54,296
Advertising	2,787	50,277
Photography	204	44,142
Other	383	37,997
Media/Communications		
Television	1,789	$ 65,783
Newspapers	4,703	59,466
Radio Broadcasting	751	56,799
Motion Picture/Video Industries	191	55,016
Book publishing	2,226	45,290
Sound Recording Industries	119	37,143
Postproduction & movie & video	226	27,398
Movie Theaters	266	12,887
Arts		
Musical groups & artists	344	$ 113,363
Performing arts companies	998	56,467
Musical Instruments.supplies stores	141	30,397
Art dealers	336	22,372
Museums, zoos, botanical gardens	1,064	22,240
Fine arts schools	215	13,730
Other	483	21,594
Entertainment		
Spectator sports	969	$ 183,508
Fitness/recreational sports centers	2,445	14,950
Other	343	17,245
SUBTOTAL	**35,918**	
Related Retail Goods		
Gift, novelty, souvenir stores	800	$ 14,141
Bookstores	725	14,634
Record/tapes/CDs stores	353	12,170
Related Support Services		
Special trade contractors	335	$ 66,660
Printing & realted support	2,185	39,090
TOTAL number of jobs	**40,316**	

Source: US Census County Business Patterns 1999 (Suffolk County)

III. Major Employers

Employer	# of Employees	Employer	# of Employees
Red Sox	1,200	Museum of Science	300
WGBH	946	Mass College of Art	287
Houghton Mifflin Co.	943	WBUR	225
Museum of Fine Arts	900	Fugazy Executive Travel	220
Berklee College of Music	800	New England Aquarium	215
Boston Public Library	700	Boston Conservatory of Music	210
N.E. Conservatory of Music*	580	Winthrop Printing Co.	172
Boston Architectural Center**	400	Children's Museum	140
AI Boston (Design)	375	Boston Ballet	138
Emerson	350	Boston Duck Tours	100
Huntington Theater	330	Wang Center	60
		Art Institute of Boston	50

*Includes full-time & part-time staff
**Includes full-time, part-time, & volunteer staff
Source: Boston Business Journal's Book of List

IV. Related Industries & Sectors

Educational. Several of Boston's cultural venues are owned and operated by the city's educational institutions. Students, faculty, and alumni from many educational institutions are a rich source of labor supply to the city's arts economy. Families of students represent an important share of the tourist market, particularly during May and June graduations.

Restaurants, Bars, and Nightclubs. Full service restaurants employ over 15,000 workers in Boston. Furthermore, the increasing wide variety of exotic and international foods being served in Boston represents an aspect of Boston's cultural life. An increasing number of clubs now present DJs and live music, which provides employment opportunities for local musicians. Much of this late night cultural activity lies at the heart of the 18-24 hour city.

Technology. Advances in technology deeply affect the way art is made and presented. Often, the first uses of a new technology are in the arts. Also, Boston is promoted as a locus of innovation, bringing a specific type of visitor interested in this development. Over the last thirty years, these industries have been growing and tend to be in demand as leisure time and personal incomes increase. Over the next ten years, the outlook for growth of the industries included in this sector varies among detailed sectors, but it is on the whole substantially greater than for the economy as a whole. The U.S. Bureau of Labor Statistics projects that *cultural, amusement, and recreation services will "increase about 35% over the 2000-2010 period, more than double the rate of growth."*

by Theodore Cantrell, BRA certified artist

V. Sector Trends and Issues

Soho-ization. In their search for affordable live-work space, artists often reside in less desirable urban areas. As demand for urban residential neighborhoods grow, gentrification often follows, increasing rents and pushing out the artist. The economic and cultural aspects of this sector can be in conflict with each other. For example, a visitor's desire for an upscale, polished performance or city experience often contrasts with the artists' or arts organization's need for affordable, raw space to create the art. The "Soho-ization" phenomenon demonstrates that what is good policy for tourism is not necessarily good policy for fostering cultural growth.

Changes in Travel Patterns. Tourism is one of the fastest growing sectors of the world economy, and cultural and historical tourism tops this list. Yet despite Boston's superior cultural and historical resources, business travel has been the focus of most efforts over the past 10 years. The major shift in visitor demand over the past year illustrates both the risks and opportunities in the marketplace. Business and convention travel to Boston has dropped by 18%, while leisure travel has increased by 25% over the past year. In an era where business travel, traditionally the group that spends the most money, is declining due to financial, technological and security reasons, other marketing and event strategies (i.e. cultural/heritage) might also be considered to better target the leisure traveler.

Quality of Life and Workforce Retention. Studies have shown that high-paid professionals in the advanced information industries and knowledge-based sectors place a premium on a city's cultural activity when selecting locations to live and work. In other words, a rich cultural sphere enables employers to attract and retain highly educated professional workers.

VI. Education & Training

The wide variety of industries within this sector includes workers with differing education and training requirements;
(1) professionals in design, architecture, advertising, and arts administration;
(2) highly skilled people in the arts including musicians, writers, artists, dancers, audio and video production, performing artists, and actors;
(3) lower and mid-level-skilled support staff including ushers, fitness instructors, tour guides, and maintenance occupations.

Higher Education Institutions in Boston with programs in art, music, fine arts, performing arts, design, architecture, or communications programs for 1999

Institutions	Enrolled Students
Emerson College	3,865
Berklee College of Music	2,953
Massachusetts College of Art	2,371
Museum of Fine Arts	1,633
N.E. Conservatory of Music	768
Boston Architectural Center	673
MA Communication College	599
The Art Institute of Boston @ Lesley College of Arts & Design	500
The Boston Conservatory	499

Nearly all workers employed in professional occupations possess a college or advanced professional degree. Technical skilled positions in television, radio, film, and photography may require college and technical apprenticeships. Artistic occupations require people with a great deal of talent who spend much time taking lessons, practicing, rehearsing, as well as performing. In the case of performing artists or athletes, talent and years of training are more important than education. Many artists move to teaching, producing, or directing as they gain in age and experience. Also, persons in the arts may also have full- or part-time jobs in other fields to make money when unable to earn money full-time in their artistic endeavors.

THE CREATIVE ECONOMY

The Creative Economy Initiative (CEI), a partnership led by the New England Council, produced two studies that redefined and quantified the economic activities of the region's creative sector. They recognized that the cultural economy means much more than an individual with a paint brush or an ensemble staging a performance. CEI defined the creative economy as the sum of three parts:

1. The Creative Cluster - enterprises and individuals that directly and indirectly produce cultural products
2. The Creative Workforce - the thinkers and doers trained in specific cultural & artistic skills who drive the success of leading industries
3. The Creative Community - a geographic area with a concentration of creative workers, creative businesses, and cultural institutions

The studies determined that the creative sector employed nearly a quarter of a million New Englanders, or 3.5% of the workforce; that jobs in the creative sector are growing at a faster rate than the economy at large; and that in 1998, cultural tourists spent over $6.6 billion in the region.

The city recognizes that creativity is key to its future economic growth and competitiveness. The BRA is implementing a bold sector strategy aimed at developing its local creative economy. The comprehensive strategy includes targeted research designed to understand and address the business needs – financing, marketing, and infrastructure – of key creative industries such as design, architecture, media and music.

VII. In the Neighborhoods

Downtown. Home to most of the hotels, major cultural institutions, performance venues, and the best-known tourist destinations, Downtown is still an evolving entity. Downtown should be promoted in new ways due to the revitalization of the "Ladder Blocks" as an inviting entertainment district, the new Ritz Carlton, the redevelopment of the Opera House and the Paramount Theater, and the creation of parks and cultural uses on the Central Artery.

Jamaica Plain. Home to over 300 artists, Jamaica Plain is a thriving arts community. It attracts visitors to its funky cafes, extensive public art, neighborhood festivals, innovative galleries, and unique shops. Due to its increased popularity and gentrification, it is also home to two of the most threatened artist buildings in the city, Brookside and 59 Amory Street. As in South End, artists are threatened by residential market competition.

Roxbury. Dudley Square has a fast growing number of artists and arts organizations, a rich historical past, and excellent transportation to and from downtown. The community is actively seeking cultural and tourism development. Its Main Street Director and the Madison Park CDC have made art a top priority and have targeted multiple sites for development; including Hibernian Hall, the Dartmouth Hotel, and other potential performance sites.

South Boston. This is one of the oldest, largest, and most politically active communities of artists in Boston. It is also home to many of the city's commercial photographers, graphic designers, and printers as well as several galleries, performance groups and arts organizations. This neighborhood is the focus of several ongoing BRA initiatives. Examples include: the Fort Point Watersheet Activation Plan to greatly enhance the area as a destination, with new recreational and visitor attractions including water transportation, performance spaces, and a new park adjacent to the Children's Museum and the Beacon Channel Center Project, which includes 120,000 sf artist live/work space. However, this is just the tip of the iceberg. Boston Wharf now leases space to 200 artists, but has indicated that these leases will run out within the next five years and not be renewed converting the artist lofts into office/commercial use.

South End. The South End has an arts community comparable in size to Fort Point, but the neighborhood is larger and more diverse. It has become a prime location for trendy restaurants and boutiques. Its rich architectural detail has made it attractive to visitors and residents alike. Although it is home to many of the early models for permanent space for artists and performers (the Boston Center for the Arts, Artist Tenants of the South End, Mystic Studios/St. Cloud, and more recently Laconia Lofts), the arts community is increasingly threatened by gentrification.

VIII. Planning Initiatives

Space Initiative. A means to create permanent work and live/work space for artists. The city is working with artists and arts organizations to identify new development opportunities and to protect existing artist spaces. Several hundred units are now in development or under review in South Boston, Roxbury, Jamaica Plain, and the South End. A major survey has recently been completed to better understand the space needs of artists

Boston Harbor Islands Partnership. The Partnership is developing resources and strategies to improve educational and recreational opportunities within the newly designated national park area. The BRA is a member of the Partnership along with eleven other public and private organizations.

Central Artery Air-Rights. The development will include a new home for the Massachusetts Horticultural Society and other yet-to-be determined cultural and recreational facilities that will help energize and enliven the downtown and waterfront areas.

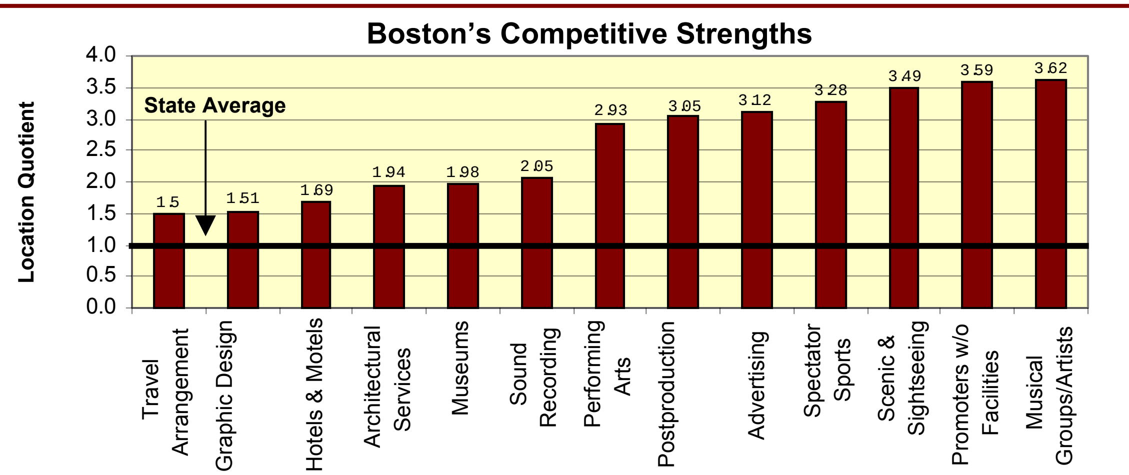
IX. Policy Issues

Pipeline Projects: CULTURAL FACILITIES	Sq Ft	Cost
Approved		
Fort Point Cultural Coalition w/Beacon Capital	200,000	$ 25,000,000
Artists for Humanity	22,000	5,000,000
Dartmouth Hotel/Nuestra Communidad	6,000	1,610,000
New Boston Housing/E Berkeley St.	2,000	570,000
Under Construction		
Emerson College/Allen's Alley	80,000	$ 40,000,000
Boston Center for the Arts	37,000	18,000,000
Wilkes Passage, Northampton Lofts	10,000	3,000,000
Baker Chocolate Administration Building	14,000	2,640,000
Under Review		
Museum of Fine Arts Expansion	498,400	$ 425,000,000
Clippership Development	8,000	190,000,000
Emerson College Cultural Uses	30,000	150,000,000
The Opera House/Clear Channel	106,000	22,000,000
Harrison Avenue Artist Block	70,000	22,000,000
Long Term Planning		
Garden Under Glass/Mass Horticultural Society /Central Artery Parcels #19, 21, 22	257,000	$ 70,000,000
Institute for Contemporary Art	100,000	40,000,000
Humphries Street Studios	24,000	800,000
Multicultural Children's Center	47,000	TBD
DND parcel-Blue Hill Avenue/ Heritage Flags	6,000	TBD
Pier 4/unallocated civic/cultural space	20,000	TBD
Paramount	TBD	15,000,000
Hibernian Hall/Madison Park CDC	**TBD**	**TBD**
77 Terrace Street/Diablo Glass	**TBD**	**TBD**

Public Funding for the Arts. Cultural funding for Boston and the region is low as compared to other comparable U.S. cities in both the public and private sector. One long pending policy issue is a dedicated state funding stream for Boston arts (i.e. a dedicated percentage of the Hotel/Motel Tax etc.). The recent Fiscal Year 2003 budget passed by the Massachusetts Legislature has cut the budget of the Massachusetts Cultural Council by 62% and places the state far behind other states in arts funding.

Tourism Promotion. Coordination with the Massachusetts Office of Travel and Tourism and the Greater Boston Convention and Visitors Bureau to create a more modern "brand" and campaign to promote a more cohesive image of the City. In particular, what strategies can be designed to better target the various segments of the visitor market and reduce the over-reliance on, and, hence, volatility of, the business and convention market.

Effect of Mergers and Consolidations.
Many recent events such as the pending sale of Houghton-Mifflin publishing company by Vivendi Universal, a media conglomerate, may affect the printing and publishing status. The large-scale presence of Clear Channel as an entertainment promoter presents a positive opportunity. The consolidation of movie theater management does not affect Boston very much because of the presence of Loews and General Cinema.



Source: U.S. Census Bureau's County Business Patterns 1999, BRA Research

Boston's employment has major concentrations in selected industries such as in arts, culture, and recreation. The location quotient ("LQ") is the comparison of the concentration of local employment to the state average. Boston's areas of competitive strength are reflected in the LQ. For example, the LQ of 3.62 for the musical groups and artists indicates that Boston's concentration of jobs is more than three times that of the rest of the state – exceeding the state share of jobs in this industry by 262%.

X. Infrastructure & Land Use Requirements

Shortage of Space. Recent studies by the Office of Cultural Affairs and the Barr Foundation document a serious city-wide shortage of appropriate and/or affordable office, rehearsal, and performance space for organizations involved in theater, dance, and music. In particular there is a need for mid-size performance venues of 150-300 seats. The space crisis is most severely affecting small and medium-sized arts groups.

Lack of Transportation. Adequate public transportation and highway links are lacking between the new convention center and Back Bay hotels, a problem that may impact convention center bookings especially given the uncertain pace of hotel development in the South Boston Waterfront area.

Tour bus parking facility. The multitude of tour buses that visit Boston used to have permanent places to park near Faneuil Hall Marketplace underneath the Central Artery, but now that construction is underway, they have been relocated to a temporary location. A site is needed both for pick-up and drop-off of tourists as well as layover time while tourists are at Faneuil Hall and other sites. There is currently a Task Force looking for a permanent solution, which will be issuing recommendations and outcomes and it is part of Access Boston, the transportation planning effort situated within the Boston Transportation Department. The Task Force now has identified locations for both the pick-up/drop-off and layover issues and is evaluating them. One of the identified layover sites is Moran Terminal in Charlestown. A solution will need to be in place by the time the Artery is completed and work has begun on the surface uses.

BOSTON'S TOURIST ATTRACTIONS

Attractions	# of Visitors 2001	# of Visitors 2000	% Change 2001-2000
Boston National Historical Park	2,247,901	2,765,114	-104
Old North Church	544,296	609,448	-11
USS Constitution	520,182	686,820	-8
Downtown Visitors Center	306,744	329,175	-7
Faneuil Hall	247,900	286,273	-13
African American Sites	245,959	249,875	-2
USS Cassin Young	220,465	406,866	-46
Bunker Hill Monument	162,355	196,657	-17
Museum of Science	1,591,440	1,686,751	-6
New England Aquarium	1,205,647	1,277,877	-6
Museum of Fine Arts	1,004,043	1,358,580	-26
Zoo New England - Franklin Park	332,758	273,773	22
The Children's Museum	307,727	249,298	23
JFK Library & Museum	291,336	238,451	22
John Hancock Observatory	253,554	383,631	-29
Paul Revere House	224,710	225,001	0
USS Constitution Museum	217,492	269,512	-19
Isabella Stewart Gardner Museum	158,915	180,555	-11
Boston Tea Party Ship & Museum	91,291	116,746	-21
Old South Meeting House	76,709	79,140	-3
Old State House - Bostonian Soc.	74,628	73,111	2
Institute of Contemporary Art (ICA)	41,183	26,746	54
Boston By Sea - Maritime Trail	12,304	12,289	0
SPNEA - Otis House	7,584	8,200	-8
TOTAL	**8,139,222**	**9,224,775**	**-12**


Faneuil Hall


Aquarium

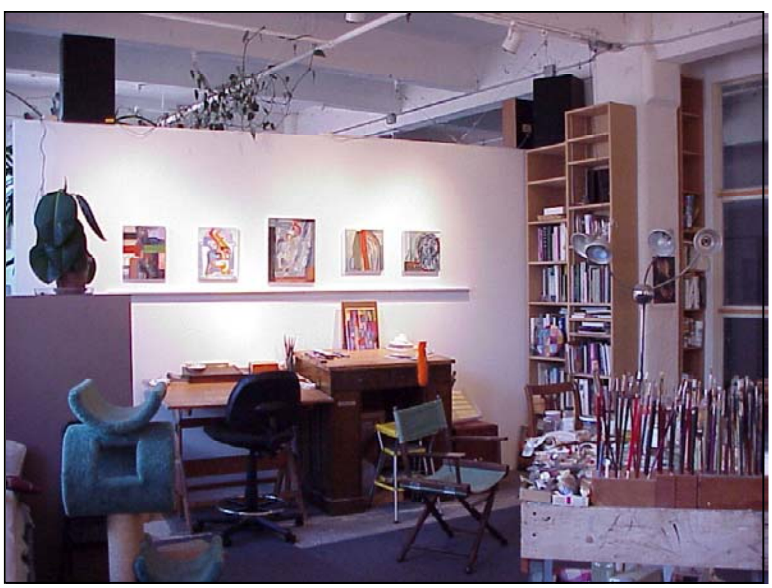

JFK Library & Museum


Boston Tea Party Ship

XI. Boston 2004 Democratic National Convention

On December 17, 2002, Mayor Thomas M. Menino and Senator Edward M. Kennedy signed a document officially naming Boston the site of the 2004 Democratic National Convention. The timing of this event is important for the city. By the time the convention arrives on July 26, 2004, Boston will have completed or nearly completed major investments throughout its urban and tourist-related infrastructure, which includes the Fleet Center, where the convention will be held, the Central Artery and Tunnel project, airport modernization, new hotels, waterfront parks, and new public transit stations and service. The new Boston Convention and Exhibition Center will also be completed, though it will not serve as a convention venue. Thus, this nationally-televised event will provide a powerful marketing opportunity for the new Boston, which should lead to increased convention and tourist activity in the years that follow.

Based on economic impact studies conducted in other cities, it is clear that Boston will benefit economically from hosting the convention. Thousands of jobs will be created in the eighteen months leading up to the convention, in addition to the powerful economic impact of thousands of delegates, media representatives, and other attendees during their stay. In addition to the hospitality industries, many segments of the economy are positively affected by the presence of over 35,000 people who typically attend a convention. Total visitor spending is projected to be $47.3 million, including $28.8 million on hotels, $9.2 million on food and beverages, $3.7 million on retail goods, $3.2 million on local transportation, $1.6 million on entertainment, and $0.8 million on other goods and services. The majority of the spending would be in the city of Boston, roughly 77%, and the remainder would be in the surrounding region. Based on the visitor spending patterns, it is projected that almost 2,000 full-time equivalent jobs will be created as a result of hosting the convention. The number of total jobs, part-time and temporary, is expected to be roughly twice this number. The majority of the jobs, just over 1,300, will be created in the City of Boston and the remainder would be in the surrounding suburbs. The additional gross regional product that will be created in the region as a result of the convention is projected to be $102.4 million. The personal income generated, regionally, is projected to be $122.4 million. It should be noted that this analysis only measures the impact of direct visitor spending associated with the convention. There will also be spending on other convention related events and activities, such as receptions and some construction associated with the media and convention facilities, that were not included in this analysis. These activities will further add to the total economic impact of the convention on Boston.



Fort Point Studio

Arts and Cultural Research Information Resources

Greater Boston Convention & Visitors Bureau
www.bostonusa.com

Massachusetts Office of Travel and Tourism
www.massvacation.com

New England Foundation for the Arts
www.nefa.org

Massachusetts Cultural Council
www.massculturalcouncil.org

City of Boston, Office of Special Events
www.cityofboston.gov/mayor/spevents

City of Boston, Office of Cultural Affairs
www.cityofboston.gov/arts

Massachusetts Port Authority (Massport)
www.massport.com

Boston Redevelopment Authority
Economic Planning Initiative

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The Economic Planning Initiative's nine interdepartmental teams connect the BRA to industry leaders, issues, and the latest trends in the greater Boston area.

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Economic Sector Teams

Education
Financial Services, Insurance, Real Estate
Health & Medical
Hotels
Industrial
Professional Services
Retail
Technology
Culture, Sports & Recreation

Research

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BRA Research Reports are available free of charge on the BRA website:
www.bostonredevelopmentauthority.com